



# All You Need Is Seven!

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## HB 5368

Public Hearing: 3-5-12

TO: MEMBERS OF THE TRANSPORTATION COMMITTEE  
FROM: METRO TAXI  
DATE: MARCH 5, 2012

RE: SUPPORTING HB 5368 – AN ACT CONCERNING THE  
MODERNIZATION OF THE STATE'S TAXICAB INDUSTRY

Metro Taxi strongly supports HB 5368 and respectfully urges that the bill be passed. The law is long overdue.

In 2006, this Legislature formed the Taxi Task Force, represented by the DOT, DMV, OPM, Weights and Measures, and two representatives from the taxi industry, to review CT's taxi industry regulations and improve upon statewide taxi customer service. There was no follow up to this Legislature's Task Force.

In 2008 the Legislature's Program Review Committee (PRI) launched an independent investigation into CT's taxi and livery industry. The PRI's 2008 report embraced the Task Forces' recommendations and went on further to suggest additional reforms. Four years later, none of their recommendations have been addressed. Nearly all of the proposed changes contained in HB 5368 are recommended in the PRI's report.,

In addition to testimony given today by Metro Taxi's President, Bill Scalzi, we offer the following section by section explanation of our support for this bill.

### SECTION 1:

Medallion system – Changing the current Taxi Certificates to Taxi Medallions will give value to each Medallion and therefore to each Medallion Owner, providing needed equity for capital loans. The DOT will impose additional fees on the transfer, application for, and annual maintenance of the certificate, and will remove the confusion surrounding the number of authorities, overlapping territories, and the number of taxis licensed for each town within an authority.

The applicant must utilize a taxi dispatch methodology capable of communication with all taxis within the fleet at the same time, ensuring effective demand-response customer

service. That service must be available 24-7, stipulation of which is already contained in the statutes but are not uniformly enforced.

Raising the application fee for taxicab authority will accomplish the following: 1) update and reflect the cost associated with the application/hearing process; 2) Discourage the frivolous applications that are currently too prevalent and that paralyze legitimate requests. This hurts individual cabdrivers as well as state revenues. The current application fee is only \$88.00, and hearings typically last from two to sometimes over ten days. The current fee doesn't even cover the scheduling cost.

Issuance of a proposed final hearing decision would consist of a return to the Department of Transportation's previous practice, and gives all parties the opportunity to comment on the finding of facts contained within the decision. The current hearing process affords no discovery, no witness list, no subpoena power, and no recess prior to cross examination. Under those circumstances, the opportunity for oral or written argument prior to a final decision is vital.

All new taxi medallion applications shall be for a minimum taxi fleet size of five medallions which will ensure that the public will have easier access to dispatched taxicabs. Single-cab "companies typically hover around transportation hubs, hardly advertise their service, making it next to impossible for the public to access them by telephone, text, website, or android/iPhone applications. Additionally, a single-cab owner is typically not available 24/7, in violation of DOT regulations. These violations are capriciously enforced.

A Limit on the sale or transfer of a medallion(s) for five years will ascertain the following: 1) ensure that the applicant is adequately-funded prior to obtaining the permit so as to meet safety requirements, insurance requirements, as well as all other requirements expected of all other cab owners; 2) ensure that the applicant run an efficient and stable business operation able to meet DOT and Legislature requirements; 3) discourage speculation in taxi permits (medallions), the buying and selling of taxi permits (medallions), essentially "scalping" them, driving the price up, and discouraging legitimate business entrepreneurs.

GRANDFATHER-IN ALL CURRENT TAXICAB AUTHORITY. Those who have entered the industry thus far will continue to provide taxi service in their existing territory and will be held to the current service standards and those proposed within this bill. Medallions will be issued to each Certificate holder based upon the number of taxicabs currently in service within each Certificate.

Contracting to provide taxi service at Bradley International Airport (Bradley) will be available only to those Medallion Owners who have provided adequate taxi service within their approved territory for a period of two years. In addition, the DOT should ensure that providing taxi service to Bradley will not jeopardize the taxi service in the Medallion Owners' current territory. A proposed annual service fee of \$200 per medallion will offset department costs related to enforcement and regulation. Thus the

State of Connecticut will not be burdened, and cab companies will benefit from an even-playing field where enforcement is uniform, and not arbitrary as it has tended to be. Enforced regulations will provide far better customer service to CT taxi patrons.

#### SECTION 2:

This Section mandates credit card acceptance for payment of taxi fares. In 2012, the practice is now universal. Every taxicab in Connecticut should offer a method of accepting credit cards for payment of fares. All parties will benefit immensely: 1) state revenues will increase as income will be recorded; 2) the safety of the customer as well as the driver will increase; 3) service will improve.

#### SECTION 3:

The current practice of offering taxi permits under "emergency authority" without a hearing is obsolete and must cease. If new permits and new medallions are offered, then open hearings must be conducted under a transparent system so as to insure compliance with the law and an even-playing field for all cab companies.

#### SECTION 4:

This section allows electronic driver trip records in lieu of handwritten driver trip records. Although current regulation 13b-96-31 covers this matter, the DOT considers it ambiguous and in need of clarification. Computer-generated driver trip records are far more accurate, more efficient to produce and maintain, and reflect current-day use of technology. This system, in turn, will save the DOT considerable valuable time.

#### SECTION 5:

This section increases taxicab inspections from once every two years to annual inspections. This increases safety of the taxicab fleet and can be accomplished at no cost to the State, as the Department of Transportation sets the fee for such inspections. Inspections must be conducted uniformly to all taxi companies, and not arbitrarily.

#### SECTIONS 6, 7, 9 & 10:

Creates a taxicab operator's so called "hack" license. This is necessary to allow drivers of taxicabs to be held fully accountable for violations that are solely within their control. Currently there is no system by which the state tracks taxicab regulation violations by taxicab drivers. Only actual traffic violations show up on a drivers' public-service-endorsed driver's license. As a result, a taxi company may erroneously contract with a

driver who violated DOT taxicab regulations, such as overcharging a passenger, or not displaying their driver permit. Again, the State as well as responsible taxi companies are hurt by a poor reputation.

#### SECTION 8:

Ensures that livery permits, issued under government contracts, are surrendered at the expiration of the contract. The lack of follow up has flooded the livery (and taxi) market with vehicles performing illegal trips. Moreover, the current practice of awarding two additional livery permits without a hearing must cease. An open and transparent system must be put in place to insure compliance and fair-play.

This section also makes changes to a livery status amended to taxicab status. More rigor must be given to the request for a change in status from one to the other. Capriciously flooding the market with licenses will result in a flood of vehicles on the road, many of which will not be able to maintain compliance with regulations, meet insurance requirements, and meet the high standards expected from the State.

IN CLOSING, we urge you to pass these sensible, much-needed reforms to the State's taxicab industry. These reforms have long ago passed muster, having gone through and been endorsed by myriad of state agencies and legislative committees since 2006. The public deserves better service, the State's reputation, efficiency, and revenues will increase, government transparency will be enhanced, all to a level expected in the 21<sup>st</sup> century.

WE RESPECTFULLY URGE YOU TO PASS HB 5368.

Thank you.